

Fiscal Note

Fiscal Services Division



HF 552 – Sex Offender Placement in Elder Care Facilities (LSB 1370HV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 552 deals with the placement, release, notice, and safety procedures for care facilities for persons required to register as sex offenders. The clerk of a committing court must notify the Department of Inspections and Appeals (DIA) and the admitting facility of commitment of a registered sex offender to a nursing home, residential care facility (RCF) or assisted living program that agrees to the commitment. The care facility is required to check the sex offender registry to determine if new admissions are registered sex offenders. Notice of the admission of a sex offender must be provided to residents of the facility, next of kin of residents or emergency contact, employees, visitors, and the local sheriff. The sheriff must notify local law enforcement agencies. The facility must develop a written safety plan. The notification and safety plan requirements are contingent on commencement of operation of a state or designated private facility offering placement for sex offenders. The DIA is to develop administrative rules. Persons civilly committed to the Department of Human Services (DHS) as sexually violent predators cannot be released to a private care facility. After commencing operation of a state or contracted private facility, the DHS is required to find placement for sex offenders required to register and released sexual predators that require medical or personal care provided by a nursing facility, residential care facility, or assisted living program but cannot access the care because of being on the sex offender registry. The DHS has 10 business days to find placement after being notified that placement is needed. Facilities with current residents required to register as sex offenders may transfer them to the state or designated private facility or implement the notice and safety plans.

This Bill establishes two workgroups – one is a task force to address problems of ensuring an adequate workforce to serve this population, and the second is a committee to examine facility options and responsibilities of those required to give notice. The workgroups are to design a program to replace the one originally developed by the DHS, and it will begin operations by December 31, 2014.

Assumptions

- The DHS has two options. It can develop and operate a facility providing nursing care and residential care facilities, or it can contract with a private organization to provide the services.
- There are currently 11 registered sex offenders in nursing homes and 32 in residential care facilities. Over the next two years, the Department of Corrections (DOC) will release 19 registered sex offenders requiring nursing home care and 58 requiring a residential care facility. It is assumed half will be released in FY 2014 and half in FY 2015.
- A private facility can contract to provide nursing level services for \$300 per day and residential care services for \$123 per day.

- A facility operated by the DHS or contracted with will be operational by December 2014. A DHS operated facility will have 26 nursing beds and 76 RCF beds in FY 2014. These will increase to 30 and 90 beds respectively in FY 2015.
- The Clarinda Mental Health Institute Gero-Psychiatric Program served as the cost model for operating the proposed DHS facility.
- Salary costs for a DHS facility are based on the current state pay scale.
- Medicaid will pay 58.4% of the nursing home facility costs. All of the nursing home residents will be eligible for Medicaid.
- Some RCF residents will pay a portion of their costs through Social Security or other resources.
- Medicaid reimbursements and payments by residents (self-payment) from Social Security and other sources were estimated by the DHS from current trends for the DHS institutions and facilities and other available data. It is assumed the same amount of self-payments will offset costs for private sector contracted services as for a DHS facility.
- The DOC and the Judicial Branch will incur some costs for notifications and communications with the DHS and care facilities. These costs will not be significant and will be absorbed as an ongoing operation expense.
- The DIA will not experience a significant change in inspection costs, and will absorb the study committee costs.
- The annual cost for a workgroup or study committee is approximately \$5,000 per year but can vary depending on the size of the group and number of meetings.
- Nursing homes, residential care facilities, and assisted living facilities will experience some additional costs for the required notifications and safety planning, but they will transfer or refuse to admit registered sex offenders if the costs become significant.
- The number of registered sex offenders needing care in one of these facilities will increase as the sex offender population ages and the number under special sentence supervision increases.
- The chosen option will sunset on December 31, 2014, and will be replaced by the final solution developed by the workgroups. This cost is not estimated here, since the parameters are unknown.

Fiscal Impact

A private sector option and a DHS institutional option are presented. The selected option will operate for seven months in FY 2014 and six months in FY 2015 when the final solution created by the workgroups takes over.

Care Facility Options: The following table shows the estimated costs for the DHS for the option of contracting with a private facility to provide services for registered sex offenders and sexual predators.

Option of Contracting with a Private Sector Organization						
FY 2014 (7 months)						
	Clients	Cost per Day	Total Cost	Medicaid Covered	Self-Pay	State Cost
Nursing Facility	21	\$ 300	\$ 1,341,375	\$ 782,692	\$ 0	\$ 558,683
Residential Care Facility	61	123	1,597,514	0	324,703	1,272,811
Total	82		\$ 2,938,889	\$ 782,692	\$ 324,703	\$ 1,831,493
FY 2015 (6 months)						
	Clients	Cost per Day	Total Cost	Medicaid Covered	Self-Pay	State Cost
Nursing Facility	30	\$ 300	\$ 1,642,500	\$ 958,399	\$ 0	\$ 684,101
Residential Care Facility	90	123	2,020,275	0	410,625	1,609,650
Total	120		\$ 3,662,775	\$ 958,399	\$ 410,625	\$ 2,293,751

The following table shows the costs for the option of the DHS providing services to registered sex offenders and sexual predators.

Option of a Department of Human Services Facility		
	FY 2014 (7 months)	FY 2015 (6 months)
Construction	\$ 1,000,000	\$ 0
Furniture & Equipment		
Nursing Facility	500,000	0
Residential Care Facility	510,800	0
Total Infrastructure	2,010,800	0
Salaries		
Nursing Facility	2,671,495	2,289,853
Residential Care Facility	2,817,253	2,414,789
Total Salaries	5,488,748	4,704,642
Support		
Nursing Facility	457,932	460,449
Residential Care Facility	1,338,572	1,351,152
Total Support	1,796,504	1,811,601
Recovered Costs		
Medicaid Covered	-1,826,021	-1,604,801
Self Pay	-324,703	-410,625
	-2,150,724	-2,015,426
Total State Cost	\$ 7,145,328	\$ 4,500,817

Funds will need to be appropriated to the Department of Administrative Services for either of these options.

Workgroups: The state agencies involved with the two work groups will absorb the costs of approximately \$10,000 within their normal operating budgets.

Other Activities: The DIA, DOC, and the Judicial Branch will incur some additional costs for the notifications, development of administrative rules, and related activities. These costs will not be significant and will be absorbed within their normal operating budgets.

Sources

Department of Human Services
Department of Corrections
Department of Inspections and Appeals
Judicial Branch

/s/ Holly M. Lyons

April 3, 2013

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.